

PSJ3

Exhibit 564

Message

From: Ganley, Joseph [Joe.Ganley@McKesson.com]
Sent: 3/10/2014 2:30:11 PM
To: Grant, Carolyn [/O=CAH/OU=Cardinal Health/cn=Recipients/cn=Carolyn.Huber]; 'dbellingham@hdmanet.org'
 [dbellingham@hdmanet.org]
CC: Giacalone, Robert [/O=CAH/OU=Cardinal Health/cn=Recipients/cn=Robert.Giacalone]; Baker, Cassi
 [/O=CAH/OU=Cardinal Health/cn=Recipients/cn=Cassi.Baker]; Eddy, Julie [JEddy@amerisourcebergen.com]
Subject: RE: MD HB596 - Response to proposed amendment

Thanks Carolyn, this makes sense. I did not meant to suggest that we abandon our kill the bill strategy. Rather, I'm thinking that Kipke clearly wanted something more to do beyond opposing the bill, and he indicated that the House likely had the votes to pass it, regardless of opposition. My thought in suggesting the amendment was twofold: 1) encourage Kipke to up his advocacy against the bill rather than resigning himself to the idea that it's a fait accompli, and 2) be reasonable and responsive to his request about whether there was any amendment we would support.

I realize that my rushed email over the weekend may have sounded like I was seeking compromise too early before hearing out our lobbyist, and I want to be clear that I'm not. I just think that the more we have folks in the House objecting and proposing amendments and therefore the more the whole process becomes a mess, the better off we are given the impending deadline.

From: Grant, Carolyn [mailto:Carolyn.Grant@cardinalhealth.com]
Sent: Monday, March 10, 2014 10:23 AM
To: 'dbellingham@hdmanet.org'; Ganley, Joseph
Cc: Giacalone, Robert; Baker, Cassi; Eddy, Julie
Subject: MD HB596 - Response to proposed amendment
Importance: High

Hi Dan & Joe,

After conferring with Cassi as well as our internal legal and regulatory counsel, I have feedback for you from Cardinal Health on the below-referenced proposed amendment from Delegate Kipke.

- Our recommended first choice is to continue to push hard to kill this bill, especially if the lobbyists believe this is doable. If this bill is successful in MD, our concern is that it will get popular and more problematic elsewhere.
- Prior to supporting the route of an amendment, we would like Dan to ask the lobbyist some questions to help us better gauge where this is headed, as well as to ask for feedback on the likelihood of achieving our first priority of killing the legislation, and if not likely, what are our next best alternatives.
- If the lobbyist believes killing the bill is not doable, we are willing to support the approach of a study by the BOP as a compromise – but this would only be as a compromise to our first recommendation of killing the bill. Additionally, if the approach of a study by the MD BOP is the route we end up taking, we need to get some parameters around how that study is to be done. Otherwise we run the risk of a bad outcome with the BOP's stamp of approval. The proposed study must be balanced, and should involve the creation of a BOP "Working Group" to provide a review and analysis, followed by a written report. The Working Group should be comprised of the following representatives:
 - 4 from pharmacy
 - 4 from the wholesalers
 - 2 prescription drug manufacturers
 - 2 prescription device manufacturers
 - 1-2 representatives from DEA – with participation from DEA as being mandatory for this group (and the bill) to move forward.

Rational for this: Pharmacies and wholesalers are obvious; manufacturers on both drug and device side to discuss shortage issues and notification process needed; and DEA to sign-off on threshold and SOM concerns.

Dan,

We look forward to hearing an update today.

Thanks to both of you for your continued work on this issue,

Carolyn Grant
Director, State Public Policy
Government Relations

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From: Ganley, Joseph [<mailto:Joe.Ganley@McKesson.com>]
Sent: Sunday, March 09, 2014 4:51 PM
To: 'dbellingham@hdmanet.org'; Grant, Carolyn
Subject: Fw: HB596

FYI, whadya think?

From: Del. Nic Kipke [<mailto:kipke@kipke.com>]
Sent: Sunday, March 09, 2014 03:06 PM
To: Ganley, Joseph
Subject: Re: HB596

Yes, I'd support that and you don't have to offer any amendments...I'll do it for you.

We'll definitely be voting on this later this coming week. We usually vote on Fridays and that'll likely be the last time before bills need to crossover to the Senate.

Yours truly,
Nic Kipke

State Delegate
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www.kipke.com

Find me on Facebook: <https://www.facebook.com/delegatekipke>

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On Sun, Mar 9, 2014 at 12:53 PM, Ganley, Joseph <Joe.Ganley@mckesson.com> wrote:
Delegate Kipke:

Thank you for your reply. We share your view that this would not be a wise practice. I will circle back today with our folks to discuss possible amendments, but I am concerned that any amendment we would support would be seen as a poison pill.

One option might be to instead direct the Board of Pharmacy to study the issue (over a brief time period) and

then report back to the legislature. I think that during that study process, the Board would agree that giving notice to pharmacists is counter to the efforts to prevent drug diversion.

Would such an amendment be an option? And would it be something you would support?

In terms of timing, when do you expect the bill to come up for a vote again?

Many thanks for engaging with us.

Best,

Joe Ganley
617 458 0789 (Mobile)

From: Kipke, Nicholaus Delegate [<mailto:Nicholaus.Kipke@house.state.md.us>]
Sent: Sunday, March 09, 2014 12:34 PM
To: Ganley, Joseph
Cc: Kipke, Nicholaus (Forward) <kipke@kipke.com>
Subject: RE: HB 596

Dear Joe,

HB596 was on the voting list Friday. I held the bill to prevent it from passing as my instinct was that it is not a wise practice and may have unintended consequences.

I plan to vote against it when it reappears on the voting list but unfortunately I think the votes are there to pass it. Are there amendments that might help make the bill better?

We need to act quickly. My cell #410-591-9535 and my direct email: kipke@kipke.com

Sincerely,
Nic Kipke

From: Ganley, Joseph [Joe.Ganley@McKesson.com]
Sent: Thursday, March 06, 2014 10:34 PM
To: 'nicholaus.kipke@house.state.md.us'
Subject: HB 596

Dear Delegate Kipke:

I am writing to urge your opposition to HB596 because while well intentioned, it would seriously undermine efforts by pharmaceutical wholesalers, the State of Maryland, and the Federal government to prevent the abuse of prescription drugs.

HB596, if enacted, would be in direct conflict with efforts to prevent prescription drug abuse.

Wholesale distributors have controls in place to prevent prescription drugs from being diverted from their appropriate use. This is a responsibility that wholesalers take very seriously, and one that is governed by enforcement by the federal Drug Enforcement Agency (DEA). As part of these efforts, wholesalers use analytics to determine appropriate purchase levels of controlled substances. These so-called "thresholds" are used to ensure that pharmacists are not ordering disproportionate or inappropriate amounts of controlled substances, which could be red flags signaling diversion of these products. We do not share specific threshold information with customers, because doing so could potentially give a bad actor the information they need to manipulate the system.

As a result, the requirements of HB596, if enacted, would significantly undermine our efforts to prevent drug diversion.

We understand that most pharmacists share our concerns about drug diversion, and are doing the right thing. We also know that efforts to prevent diversion can sometimes be inconvenient. However, we are guided by our responsibility to monitor and control the distribution of these products which, if diverted, contribute to the well-documented epidemic of prescription drug abuse.

We urge you to oppose HB596, or at the very least postpone consideration long enough for a more comprehensive discussion of the bill's significant unintended consequences.

Joe Ganley
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